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World Production and Trade

United States
Department of
Agriculture
Foreign
Agricultural
Service

Washington, D.C. 20250

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Weekly
Roundup
WR 49-84

Dec. 5, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

Total grain production in the FEDERAL REPUBLIC OF GERMANY for 1984/85 is estimated at a record 26.3 million tons, 14 percent above last year's harvest, according to the U.S. agricultural counselor in Bonn. Wheat production is estimated at a record 10.1 million tons, an increase of 13 percent from last year, while total coarse grain production is estimated at a record 16.2 million tons, 16 percent above 1983/84. Ideal weather conditions during the season boosted grain yields to record levels. The average wheat yield for 1984/85 is estimated at a record 6.24 tons per hectare, 14 percent above the previous record of 1982/83. The average barley yield is estimated at a record 5.13 tons per hectare, an increase of 10 percent from the previous high harvested in 1982/83.

OILSEEDS AND PRODUCTS

COLOMBIA's Minister of Agriculture said that selected agricultural imports will be banned in 1985. Lentil and soybean imports would be eliminated indefinitely, but edible oil imports will be allowed up to 1984 levels. Colombian imports of soybeans, soybean meal and soybean oil in past years were all from the United States. Colombian imports for marketing year 1984/85 (with 1983/84 figures in parentheses) are estimated at 75,000 tons of soybeans (98,000), 10,000 tons of soybean meal (11,000) and 75,000 tons of soybean oil (60,000).

DAIRY, LIVESTOCK AND POULTRY

According to the U.S. agricultural counselor in Ottawa, poultry meat production in CANADA is forecast to increase to 575,000 tons in 1985, nearly 3 percent above 1984. Most of the increase is expected in the broiler industry as output of fast food consumer items is expanding rapidly. Prices for both broilers and feed are expected to be lower during the first half of 1985.

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Availability of low-priced EUROPEAN COMMUNITY (EC) beef may be stimulating private Egyptian traders to step up imports. Offering prices reportedly are running at \$800-\$900 per ton c.i.f., including anti-rejection insurance, depending on the cut. As a result, private sector beef imports may exceed 100,000 tons in 1984. These beef prices are undercutting even subsidized poultry imports from Brazil and Denmark, which most recently were purchased for \$1,000-\$1,050 per ton c.&f.

JAPAN announced the beef import quota level for the second half of Japanese fiscal year (JFY) 1984 would be 74,000 tons. The total JFY 1984 quota will be 150,000 tons, 9,000 tons more than last year. Japan is committed to increasing its beef import levels by 9,000 tons per fiscal year from 1984 to 1987.

The IRISH Dairy Board has announced the sale of 31,114 tons of salted butter from intervention stocks to the USSR. Shipments were to start at the end of November. The announcement stated that the sale is part of the 200,000 tons of EC intervention butter that a French firm has been authorized to sell to the Soviets. The Board also confirmed an earlier sale of 6,000 tons of unsalted Irish butter to the Soviet Union.

AUSTRALIA, NEW ZEALAND, ARGENTINA and URUGUAY met in Wellington, New Zealand, November 5-6 to discuss world production and trade of meat. The group decided to unite in dealing with EC beef exports into their traditional market areas.

With EC beef stocks reaching 650,500-700,000 tons, these countries are concerned with the impact on their beef markets and on their sheepmeat markets. Short term action against the EC will take the form of a document detailing violations of international trade by the EC in the meat sector. In the long term, the four countries will look at ways to decrease meat export problems through cooperation.

While total shipments are anticipated to be relatively small and on a seasonal basis, NEW ZEALAND lamb may be exported to Australia next year. Most or all of the lamb shipments will be during Australia's slack period of March through August, when the least opposition will be met from Australian producers.

Along with these sales, New Zealand has agreed with Australia to develop areas of cooperation in international marketing of sheepmeat. The current economic and competitive conditions in international markets have led to the New Zealand-Australian agreements.

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COTTON AND FIBERS

COLOMBIA has announced creation of an export subsidy fund to encourage 1985 cotton exports. The fund will pay exporters 1.2 times the difference between the export price and 78 cents U.S. per pound when the export price falls below 78 cents. To become eligible, exporters must agree to pay into the fund when the export price exceeds 80 cents per pound.

FRUITS AND NUTS

BRAZIL's 1984 commercial orange crop in the state of Sao Paulo is expected to total 185 million boxes (40.8 kilograms each), up 3 percent from the 1983 harvest, according to the U.S. agricultural officer in Sao Paulo. Despite a slight increase in tree yields, fruit size was somewhat smaller than normal due to dry weather in the growing season. Fruit available for processing in marketing year 1984/85 is expected to total 165 million boxes, up 14 percent from last year's 145 million. About 80 percent of the 1984 commercial orange crop has already been harvested.

Prospects for the 1985 season started off well with an excellent September bloom. The bloom, however, was followed by scattered dry weather in October and early November, which caused an above average amount of small fruit to drop. More recently, widespread and abundant rains have fallen throughout the commercial orange area, improving the early season outlook for the 1985 crop. Orange production currently is projected to be up 10-15 percent in 1985, assuming normal weather during the remainder of the growing season. Most of the expected increase in 1985 production is attributed to grove improvement efforts and not to an expansion in productive area.

COFFEE, TEA AND COCOA

WORLD green coffee production for 1984/85 is estimated at 93.1 million 60-kilogram bags, 1 percent above the June forecast (see WR 23-84) and 3 percent more than the 1983/84 harvest of 90.0 million bags. A much larger crop estimated for the Ivory Coast, up 3.4 million bags, should more than offset a 3.0-million bag decline in Brazil.

In North and Central America and the Caribbean, coffee production is estimated up 9 percent from last year as most major producing countries are expecting increases. Mexico, the largest producer in the region, is expecting a crop 3 percent larger than in 1983/84 as yields improve. Guatemalan coffee production is estimated 11 percent above the previous year's harvest. Rains that fell during an extended period in late September and most of October 1984 did little if any damage to the 1984/85 crop as the coffee berries were in the growing stage and well protected by foliage. In Costa Rica, the estimate for 1984/85 indicates a record crop, 14 percent above 1983/84 output. Favorable weather, increased use of fertilizer, new methods of pruning to renew plants and more rust prevention assistance to growers are contributing to the expected increase.

South American production is estimated at 44.1 million bags, down 7 percent from 1983/84. Brazil is expected to produce 27 million bags in 1984/85, down 10 percent from last year. Early season conditions have been good for the next crop with favorable rainfall distribution and temperatures prevailing over Brazil's major coffee producing states. Coffee trees had one major flowering early in September followed by minor flowerings with subsequent abundant cherry setting.

Colombia's 1984/85 coffee crop estimate is unchanged from the June forecast, but 2 percent below last year. The coffee rust outbreak detected in Colombia in September 1983 has affected about 2 percent of the total coffee area. Colombia's coffee production policy is aimed at stabilizing the output in the range of 12.0-13.0 million bags annually.

Africa's coffee production in 1984/85 is estimated at 21.3 million bags, 19 percent more than harvested in 1983/84. A recovery of Ivory Coast production is attributed to well-spread rainfall throughout the season that was highly beneficial for flowering and cherry development. Ethiopia's 1984/85 coffee crop is estimated down slightly from a year ago. In Cameroon, the 1984/85 coffee crop is off to an excellent start and is estimated at more than twice the drought-reduced harvest of last season. Evenly distributed rains interspersed with periods of sunshine have greatly benefited both Robusta and Arabica production prospects. Kenya's coffee yields have been sharply reduced by a season-long drought, and the crop is now estimated 50 percent below last year's level.

In Asia and Oceania, 1984/85 coffee output is expected to total 10.8 million bags, 16 percent above a year earlier. Nearly one-half of this region's production is accounted for by Indonesia's crop, now estimated 3 percent higher than in 1983/84. The most dramatic turnaround in this region could occur in India, where 1984/85 production is estimated 69 percent above the previous year and at a new high. Well distributed rains throughout the growing season have improved the outlook.

Production by regions and for selected countries is estimated as follows in 1,000 60-kilogram bags:

Region/Country	Revised 1983/84	Estimated 1984/85
North and Central America and Caribbean:		
Costa Rica	2,070	2,350
Dominican Republic	800	900
El Salvador	2,253	2,500
Guatemala	2,340	2,600
Honduras	1,550	1,600
Mexico	4,370	4,480
Nicaragua	710	1,000
Others	1,421	1,449
Total	15,514	16,879

Region/Country	Revised 1983/84	Estimated 1984/85
South America:		
Brazil	30,000	27,000
Colombia	13,000	12,800
Ecuador	1,380	1,550
Peru	1,270	1,150
Others	1,605	1,558
Total	47,255	44,058
Africa:		
Cameroon	1,058	2,117
Ethiopia	3,700	3,600
Ivory Coast	1,417	4,833
Kenya	2,093	1,050
Uganda	3,400	3,500
Zaire	1,480	1,550
Others	4,779	4,677
Total	17,927	21,327
Asia and Oceania:		
India	1,670	2,830
Indonesia	5,150	5,300
Philippines	990	1,089
Papua-New Guinea	950	1,000
Others	583	625
Total	9,343	10,844
World total	90,039	93,108

WOOD AND WOOD PRODUCTS

BRAZIL's forest products industry is projected to show continued improvement through the end of 1985, according to the U.S. agricultural counselor in Brasilia. Output of sawnwood and panel products is expected to increase moderately to meet the growing export demand for tropical hardwood, of which Brazil has ample reserves. Preliminary production estimates are as follows in 1,000 cubic meters:

	1983	1984	1985
Sawnwood	11,120	11,335	12,010
Panel products	2,550	2,620	2,700
Total forest products	13,670	13,955	14,710

The volume of Brazilian wood products exported during the first eight months of 1984 increased 33 percent, compared to the same period in 1983. The value of 1984 exports is projected to reach US\$1 billion, an alltime record.

Through September 1984, the value of U.S. wood products exported to Brazil totaled \$5.3 million, surpassing the previous year's 12-month total of \$5.2 million. Hardwood logs accounted for nearly 96 percent of the \$5.3 million total.

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Selected International Prices

Item	:	Dec. 4, 1984	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.9/		191.00		5.20		+1.00
U.S. No. 2 DNS/NS: 14%....		175.00		4.76		0
U.S. No. 2 S.R.W. .10/....		161.50		4.40		-4.00
U.S. No. 3 H.A.D.....		197.00		5.36		+2.00
Canadian No. 1 A: Durum.9/		209.00		5.69		+2.50
Feed grains:						
U.S. No. 3 Yellow Corn....		132.50		3.36		+2.75
Soybeans and meal:						
U.S. No. 2 Yellow.....		248.50		6.76		+5.50
Brazil 47/48% SoyaPellets 4/		189.00		--		+4.00
U.S. 44% Soybean Meal....		176.00		--		+9.00
U.S. FARM PRICES 3/						
Wheat.....		125.28		3.41		0
Barley.....		79.00		1.72		-.46
Corn.....		99.61		2.53		.78
Sorghum.....		91.27		4.14 6/		-1.76
Broilers 4/.....		1044.32		--		-98.55
EC IMPORT LEVIES						
Wheat 5/.....		43.20		1.18		+.45
Barley.....		50.20		1.09		-2.30
Corn.....		47.00		1.19		-3.80
Sorghum.....		58.50		1.48		-1.10
Broilers 4/ 6/ 8/.....		159.00		--		-4.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		139.30		3.79		-3.30
Bread wheat (min. quality)7/		148.55		4.04		-3.50
Barley and all						
other feed grains.....		139.30		--		-3.30
Broilers 4/ 6/.....		1064.00		--		-33.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.		--		--
Barley.....		25.00		.54		-2.50
Broilers 4/ 6/ 8/.....		94.00		--		-2.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. 10/ January shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis December delivery.

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